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METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL CARE
(Continued)

2. a. Outpatient Hospital Services (Continued)

2. Effective with dates of service on or after May 1, 2008, the Department of Vermont Health Access (DVHA) will reimburse qualified providers for outpatient hospital services under a prospective fee schedule as set forth in this plan. The majority of services will be paid using the Medicare Outpatient Prospective Payment System (OPPS) Ambulatory Payment Classification (APC) fee schedule.

i. Participating Hospitals

All in-state and out-of-state hospitals will be included in this payment methodology, regardless of any designation provided by Medicare.

ii. Discussion of Pricing Methodology

A. APC Rates

The DVHA will follow the Medicare OPPS pricing methodology with respect to how each CPT/HCPCS will be treated in the Medicare OPPS, with the exception that the DVHA will not utilize Medicare OPPS composite pricing logic. The DVHA will use the status indicator that the Medicare OPPS assigns to each CPT/HCPCS to set pricing methodology. Additionally, the DVHA will follow Medicare's methodology with respect to packaging items into the payment with the primary service.

Effective with dates of service on or after January 1, 201~~2~~³, the -rate paid for each service payable in DVHA's OPPS will be set -as follows:

- For in-state hospitals that have a Medicare classification of either sole community hospital (SCH) or critical access hospital (CAH): ~~440.58~~^{106.14}% of the Medicare 201~~2~~³ OPPS national median rate without local adjustment
- For in-state hospitals that do not have a Medicare classification of either SCH or CAH: ~~103.25~~^{99.11}% of the Medicare 201~~2~~³ OPPS national median rate without local adjustment
- For Dartmouth-Hitchcock Medical Center: ~~89.75~~^{85.52}% of the Medicare 201~~2~~³ OPPS national median rate without local adjustment
- For out-of-state hospitals other than Dartmouth-Hitchcock Medical Center: ~~83.80~~^{79.85}% of the Medicare 201~~2~~³ OPPS national median rate without local adjustment

The DVHA does not recognize any transitional outpatient payments (TOPs) made by Medicare to SCHs or to rural hospitals with 100 or fewer beds that are not SCHs as defined by Section 1886(d)(5)(D)(iii) of the Social Security Act.

The DVHA will update the APC rates, the status indicators, the packaging methodology, and the outlier payment methodology annually based upon the Medicare OPPS Final Rule set each year.

B. Outlier Payments

The DVHA will follow the Medicare OPPS pricing methodology with respect to identifying

claims eligible as high-cost outliers and for the outlier payment calculation for these claims.
(Continued)

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